

NOTICE OF INTENT TO ACT UPON REGULATION

Notice of Hearing for the Adoption, Amendment or Repeal of Regulations of
The Department of Business and Industry, Division of Insurance

The State of Nevada Department of Business and Industry, Division of Insurance ("Division"), (775) 687-0700, will hold a public hearing at **1:30 p.m., on September 26, 2012**, at the Division's office located at 1818 East College Parkway, 1st floor hearing room, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, 2nd floor conference room, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment or repeal of the regulation(s) that pertains to **chapter(s) 616A and 683A** of the Nevada Administrative Code ("NAC").

The following information is provided pursuant to the requirements of Nevada Revised Statute ("NRS") 233B.0603 and the directives of the Governor:

LCB File No. R053-12. External Reviews and Reapproval Period/Fees.

A regulation relating to insurance; amending provisions relating to the external reviews of adverse determinations of certain health carriers; increasing the fee for reapproval of an independent review organization to conduct external reviews of adverse determinations; and providing other matters properly relating thereto.

- (1) Why is the regulation necessary and what is its purpose? **Assembly Bill 74 of the 2011 Legislative Session amended the term "external" review organization to reflect "independent" review organization. This change was codified in NRS 683A. The proposed regulation amends the Nevada Administrative Code ("NAC") references to "external" review organizations and replaces the references with the term "independent" review organizations to be consistent with the references in Nevada Revised Statutes. The proposed regulation also addresses the criteria for the reapproval of an entity's license.**
- (2) What are the terms or substance of the proposed regulation? **The proposed regulation sets out the criteria that an entity must follow regarding the reapproval process. The proposal also amends the license reapproval period for conducting external reviews from one year to two years, and increases the fee in accordance with a two-year reapproval period. This fee increase is revenue neutral.**
- (3) What is the anticipated impact of the regulation on the problem(s)? **The proposed regulation will update the licensing term from a one-year term to a two-year term.**
- (4) Do other regulations address the same problem(s)? **No.**
- (5) Are alternate forms of regulation sufficient to address the problem(s)? **No.**
- (6) What value does the regulation have to the public? **The proposed regulation will assist by expediting the review organization's application and reapproval process.**

(7) What is the anticipated economic benefit of the regulation?

- a. Public
 - 1. Immediate: **Neutral**
 - 2. Long Term: **Neutral**
- b. Insurance Business
 - 1. Immediate: **Neutral**
 - 2. Long Term: **Neutral**
- c. Small Businesses
 - 1. Immediate: **Neutral**
 - 2. Long Term: **Neutral**
- d. Small Communities
 - 1. Immediate: **Neutral**
 - 2. Long Term: **Neutral**
- e. Government Entities
 - 1. Immediate: **Neutral**
 - 2. Long Term: **Neutral**

(8) What is the anticipated adverse impact, if any?

- a. Public
 - 1. Immediate: **N/A**
 - 2. Long Term: **N/A**
- b. Insurance Business
 - 1. Immediate: **N/A**
 - 2. Long Term: **N/A**
- c. Small Businesses
 - 1. Immediate: **N/A**
 - 2. Long Term: **N/A**
- d. Small Communities
 - 1. Immediate: **N/A**
 - 2. Long Term: **N/A**
- e. Government Entities
 - 1. Immediate: **N/A**
 - 2. Long Term: **N/A**

(9) What is the anticipated cost of the regulation, both direct and indirect?

- a. Enactment: **Only LCB and workshop/hearing costs.**
- b. Enforcement: **N/A**
- c. Compliance: **N/A**

(10) Does the regulation establish a new fee or increase an existing fee? **The proposed regulation does not establish a new fee or increase an existing fee. The license certification period will be increased from one year to two years and the certification fees will be revenue neutral, going from \$100 for a one-year registration to \$200 for a two-year registration.**

(11) Provide a statement which identifies the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to subsection 3 of NRS 233B.0608. **There is no anticipated impact on small businesses.**

(12) Provide a description of any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, state the name of the regulating federal agency. **N/A**

(13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law. **N/A**

(14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions. **N/A**

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. **Written submissions must be received by the Division on or before September 10, 2012.** If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation will be available at the offices of the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at **<http://leg.state.nv.us/register/>**. Copies of this notice and the proposed regulation will be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

Notice of the hearing was provided via electronic means to all persons on the agency's e-mail list for administrative regulations, and this Notice of Intent to Act Upon Regulation was posted to the agency's Internet Web site at <http://doi.nv.gov/> and was provided to or posted at the following locations:

Department of Business and Industry
Division of Insurance
1818 East College Parkway, Suite 103
Carson City, NV 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, NV 89104

Capitol Press Room
Capitol Building Basement
Carson City, NV 89710

Donald W. Reynolds Press Center
102 North Curry Street
Carson City, NV 89701

Legislative Counsel Bureau
401 South Carson Street
Carson City, NV 89701

Office of the Attorney General
100 North Carson Street
Carson City, NV 89701

Blasdel Building
209 East Musser Street
Carson City, NV 89701

Nevada State Library & Archives
100 North Stewart Street
Carson City, NV 89701

Office of the Governor
Capitol Building
Carson City, NV 89710

Carson City Courthouse
885 East Musser Street
Carson City, NV 89701

Carson City Library
900 North Roop Street
Carson City, NV 89701

Churchill County Library
553 South Main Street
Fallon, NV 89406

Clark County District Library
833 Las Vegas Boulevard North
Las Vegas, NV 89101

Douglas County Library
P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Esmeralda County Library
P.O. Box 430
Goldfield, NV 89013

Eureka Branch Library
P.O. Box 293
Eureka, NV 89316

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Lander County Library
P.O. Box 141
Battle Mountain, NV 89820

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Pershing County Library
P.O. Box 781
Lovelock, NV 89419

Tonopah Public Library
P.O. Box 449
Tonopah, NV 89049

White Pine County Library
950 Campton Street
Ely, NV 89301

Lincoln County Library
P.O. Box 330
Pioche, NV 89043-0330


Mineral County Public Library
P.O. Box 1390
Hawthorne, NV 89415

Storey County Public Library
P.O. Box 14
Virginia City, NV 89440

Washoe County Library
P.O. Box 2151
Reno, NV 89505-2151

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, or by calling (775) 687-0700, no later than five (5) working days prior to the hearing.

DATED this 7th day of August, 2012.


SCOTT J. KIPPER
Commissioner of Insurance